

AMENDMENT TO H.R. 1**OFFERED BY MR. MANZULLO OF ILLINOIS**

In part 1 of subtitle G of title I, add the following new section:

1 **SEC. 1605. TEMPORARY CREDIT FOR PURCHASE OF PAS-**
2 **SENGER VEHICLES.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-
4 chapter A of chapter 1 is amended by inserting after sec-
5 tion 30D the following new section:

6 **“SEC. 30E. TEMPORARY CREDIT FOR PURCHASE OF PAS-**
7 **SENGER VEHICLES.**

8 “(a) ALLOWANCE OF CREDIT.—There shall be al-
9 lowed as a credit against the tax imposed by this chapter
10 for the taxable year an amount equal to the purchase price
11 of any qualified passenger vehicle placed in service by the
12 taxpayer during the taxable year.

13 “(b) MAXIMUM CREDIT.—

14 “(1) NEW VEHICLES.—In the case of each
15 qualified passenger vehicle the original use of which
16 begins with the taxpayer, the credit allowed by sub-
17 section (a) shall not exceed—

18 “(A) \$5,000 in the case of a vehicle placed
19 in service before January 1, 2010, and

1 “(B) \$2,500 in the case of a vehicle placed
2 in service during 2010.

3 “(2) USED VEHICLES.—In the case of each
4 qualified passenger vehicle the original use of which
5 does not begin with the taxpayer, the credit allowed
6 by subsection (a) shall not exceed—

7 “(A) \$2,000 in the case of a vehicle placed
8 in service before January 1, 2010, and

9 “(B) \$1,000 in the case of a vehicle placed
10 in service during 2010.

11 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-
12 COME.—

13 “(1) IN GENERAL.—In the case of a natural
14 person, the amount allowable as credit under this
15 section (without regard to this subsection) for any
16 taxable year shall be reduced (but not below zero) by
17 the amount which bears the same ratio to the
18 amount so allowable as—

19 “(A) the excess (if any) of—

20 “(i) the taxpayer’s modified adjusted
21 gross income for such taxable year, over

22 “(ii) \$125,000 (\$250,000 in the case
23 of a joint return), bears to

24 “(B) \$10,000.

1 “(2) MODIFIED ADJUSTED GROSS INCOME.—

2 For purposes of paragraph (1), the term ‘modified
3 adjusted gross income’ means the adjusted gross in-
4 come of the taxpayer for the taxable year increased
5 by any amount excluded from gross income under
6 section 911, 931, or 933.

7 “(d) QUALIFIED PASSENGER VEHICLE.—For pur-
8 poses of this section—

9 “(1) IN GENERAL.—The term ‘qualified pas-
10 senger vehicle’ means any motor vehicle (as defined
11 by section 30(c)(2)) if—

12 “(A) the model year of such vehicle is (at
13 the time such vehicle is placed in service by the
14 taxpayer) not more than 3 years earlier than
15 the most recent model year of such vehicle
16 which is available for purchase,

17 “(B) such vehicle is acquired for use by
18 the taxpayer and not for resale,

19 “(C) the amount paid by the taxpayer for
20 such vehicle does not exceed \$50,000, and

21 “(D) such vehicle has a gross vehicle
22 weight rating of not more than 8,500 pounds.

23 “(2) DETERMINATION OF PRICE.—Rules similar
24 to the rules of sections 4002(d) and 4003(c) shall
25 apply.

1 “(e) APPLICATION WITH OTHER CREDITS.—

2 “(1) BUSINESS CREDIT TREATED AS PART OF
3 GENERAL BUSINESS CREDIT.—So much of the credit
4 which would be allowed under subsection (a) for any
5 taxable year (determined without regard to this sub-
6 section) that is attributable to property of a char-
7 acter subject to an allowance for depreciation shall
8 be treated as a credit listed in section 38(b) for such
9 taxable year (and not allowed under subsection (a)).

10 “(2) PERSONAL CREDIT.—

11 “(A) IN GENERAL.—For purposes of this
12 title, the credit allowed under subsection (a) for
13 any taxable year (determined after application
14 of paragraph (1)) shall be treated as a credit
15 allowable under subpart A for such taxable
16 year.

17 “(B) LIMITATION BASED ON AMOUNT OF
18 TAX.—In the case of a taxable year to which
19 section 26(a)(2) does not apply, the credit al-
20 lowed under subsection (a) for any taxable year
21 (determined after application of paragraph (1))
22 shall not exceed the excess of—

23 “(i) the sum of the regular tax liabil-
24 ity (as defined in section 26(b)) plus the
25 tax imposed by section 55, over

1 “(ii) the sum of the credits allowable
2 under subpart A (other than this section
3 and sections 23, 25D, and 30D) and sec-
4 tion 27 for the taxable year.

5 “(f) SPECIAL RULES.—For purposes of this sec-
6 tion—

7 “(1) BASIS REDUCTION.—The basis of any
8 property for which is credit is allowed under this
9 section shall be reduced by the amount of such cred-
10 it.

11 “(2) PROPERTY USED OUTSIDE UNITED
12 STATES, ETC., NOT QUALIFIED.—No credit shall be
13 allowed under subsection (a) with respect to any
14 property referred to in section 50(b) or with respect
15 to the portion of the cost of any property taken into
16 account under section 179.

17 “(g) APPLICATION OF SECTION.—This section shall
18 apply to vehicles placed in service after the date of the
19 enactment of this section and before January 1, 2011.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Paragraph (1) of section 26(a) is amended
22 by striking “and 30D” and inserting “30D, and
23 30E”.

24 (2) Subsection (a) of section 1016 is amended
25 by striking “and” at the end of paragraph (36), by

1 striking the period at the end of paragraph (37) and
2 inserting “, and”, and by adding at the end the fol-
3 lowing new paragraph:

4 “(38) to the extent provided by section
5 30E(f)(1).”.

6 (3) The table of sections for subpart B of part
7 IV of subchapter A of chapter 1 is amended by in-
8 serting after the item relating to section 30D the
9 following new item:

“Sec. 30E. Temporary credit for purchase of passenger vehicles.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years ending after the
12 date of the enactment of this Act.

